

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 93-004-E - ORDER NO. 93-980 ✓

OCTOBER 21, 1993

IN RE: Annual Review of South Carolina Electric)ORDER
and Gas Company Base Rates for Fuel)APPROVING
Costs.)STIPULATION

This matter is before the Public Service Commission of South Carolina (the Commission) on the "Stipulation and Agreement of the Parties" of record in this proceeding. The parties, South Carolina Electric & Gas Company (SCE&G), the Consumer Advocate for the State of South Carolina (the Consumer Advocate), and the Commission Staff (the Staff), request that the Commission approve the terms of the Stipulation. Among other things, the parties agree that SCE&G's base rate for fuel should be 1.300 cents per kwh beginning with the first billing cycle of November, 1993, through April, 1994 billing cycles.

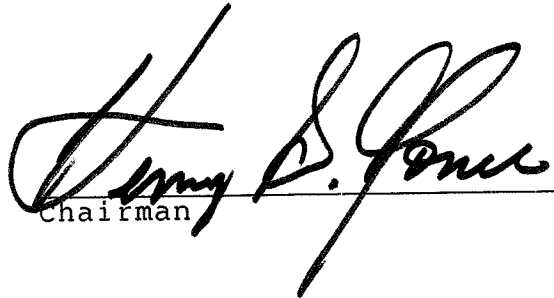
After review of the terms of the submitted agreement, the Commission finds and concludes that the Stipulation and Agreement of the Parties should be and is hereby accepted and adopted by this Commission.

IT IS THEREFORE ORDERED THAT:

1. The base fuel factor for the period comencing with the first billing cycle of November, 1993, through the billing cycles of April, 1994 is set at 1.300 cents per kilowatt-hour.
2. Within ten (10) days of the date of this Order, SCE&G

shall file with the Commission the appropriate rate schedules designed to incorporate the findings herein and an adjustment for fuel costs as demonstrated by the attached Appendix.

3. This Order shall remain in full force and effect until further Order of the Commission.


Chairman

ATTEST:


Executive Director

(SEAL)

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
Adjustment for Fuel Costs

APPLICABILITY

This adjustment is applicable to and is a part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of fuel in an amount to the nearest one-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission for the succeeding six months or shorter period:

$$F = \frac{E}{S} + \frac{G}{S_1}$$

Where:

F= Fuel cost per Kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E= Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Purchased power fuel costs such as those incurred in unit power and Limited Term power purchases where the fuel costs associated with energy purchased are identifiable and are identified in the billing statement.

PLUS

(C) Interchange power fuel costs such as Short Term, Economy, and other where the energy is purchased on economic dispatch basis.

Energy receipts that do not involve money payments such as Diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as Diversity energy and payback of storage are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S₁ = Projected jurisdictional kilowatt-hour sales for the period covered by the fuel costs included in E.

The appropriate revenue related tax factor is to be included in these calculations.

The fuel cost (F) as determined by Public Service Commission of South Carolina Order No. 93-980 for the period November 1993 through April 1994 is 1.300 cents per kilowatt-hour.

POSTED
10/15/93
GA

BEFORE

THE PUBLIC SERVICE COMMISSION

SOUTH CAROLINA

DOCKET NO. 93-004-E

OCTOBER 15, 1993

ACCEPTED

Adm. *CWB 10-15-93 JH*
Legal *YBN 10/18/93*
Util *CWB 10-18-93*
Trans.

IN RE: South Carolina Electric & Gas) STIPULATION AND
 Company - Semi-Annual Review of) AGREEMENT OF THE
 Base Rates for Fuel Costs) PARTIES
 _____)

WHEREAS, the Parties to this Stipulation are the Staff of the South Carolina Public Service Commission ("Staff"), South Carolina Electric & Gas Company ("SCE&G"), and the Consumer Advocate for the State of South Carolina ("Consumer Advocate"), collectively referred to herein as the "Parties";

WHEREAS, the Parties represent all the Parties of record in Docket No. 93-004-E;

WHEREAS, on June 10, 1993, the South Carolina Public Service Commission ordered Docket No. 93-004-E to be opened for the semi-annual review of South Carolina Electric & Gas Company's fuel costs and fuel costs recovery pursuant to Section 58-27-865 of the Code of Laws of South Carolina (1976);

WHEREAS, the Commission's Staff has analyzed the Company's procedures and practices pertaining to its fuel operations, specifically including an examination of the Company's Power Plant Performance Data Reports, Major Unit Outage Reports,

Generation Mix Reports, Generation Statistics, Retail Comparison of MWH Sales Reports, and Retail Comparison of Fuel Costs. In addition, the Staff has interviewed Company personnel concerning operating results of its generating units, has conducted on-site inspections of Company's coal quality sampling techniques, and has reviewed the Company's forecasting procedures, and currently approved Adjustment for Fuel Costs Tariff, along with the history of the Cumulative Recovery Account;

WHEREAS, based on these examinations and reviews, the Staff issued a Report of Fuel Adjustment Analysis in this Docket;

WHEREAS, the Staff and SCE&G have prefiled testimony in Docket No. 93-004-E concerning the Company's fuel operations and accounts;

WHEREAS, the Parties have carefully reviewed the information contained in the prefiled testimony of the witnesses for the Company and the Staff, as well as the Report of the Staff, and all supporting Exhibits;

WHEREFORE, the Parties have agreed, and do hereby stipulate to the following matters related to the Company's fuel operations which if adopted by the Commission in the order on the merits of this proceeding will, within the scope of the matters addressed herein, result in rates for electric service which are just and reasonable, and supported by the evidence of the record of this proceeding and will further comply with the provisions of Section 58-27-865 of the Code of Laws of South Carolina (1976).

1. In the interest of rate stability and of maintaining consistent price signals to customers, and also in the interest of avoiding the burden and expense of multiple

rate adjustments, the Parties agree and stipulate that the base rate fuel adjustment set forth herein shall be effective upon the first billing cycle of November 1993.

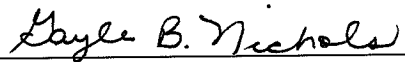
2. The Parties agree and stipulate that the Company's base rate to recover fuel costs will remain at 13.00 mills per kilowatt hour beginning with the first billing cycle of November 1993. This fuel cost recovery factor shall remain in effect through April 1994 billing cycles, or when superseded by order of the Commission.

3. The Company and Commission Staff agree and stipulate that during the historic test period under review, specifically March 1, 1993 through August 31, 1993, South Carolina Electric & Gas Company's fuel purchasing practices were prudent and the Company did not incur fuel costs which were the result of a failure of the utility to make every reasonable effort to minimize fuel costs nor did it make any decision resulting in any unreasonable fuel costs giving due regard to the reliability of service, economical generation mix, generating experience of comparable facilities, and minimization of the total costs of providing service. Furthermore, the Company and Commission Staff stipulate and agree with the adjustments made by the Commission Staff to the fuel costs recovery accounts during the period under review and with those adjustments, the Company properly accounted for the actual cost of fuel used for the generation of electricity, including the cost of purchased power.

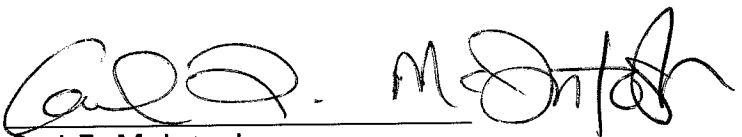
4. The Consumer Advocate does not contest the prudence of the Company's fuel purchasing practices or the reasonableness of the fuel costs during the period under review; however, any agreement not to contest matters contained in this Stipulation does not constitute waiver of the issues on appeal in Hamm v.

South Carolina Public Service Commission and South Carolina Electric & Gas Company, 90-CP-40-3681, concerning coal purchase and transportation contracts.


WITNESS our signatures below:



Gayle B. Nichols
Staff Attorney
South Carolina Public Service
Commission



Carl F. McIntosh
Department of Consumer Affairs



Belton T. Zeigler
South Carolina Electric
& Gas Company